

HIGH TECH BROADBAND COALITION



31-MARCH-2005

POLICY POSITION ON MUNICIPAL BROADBAND NETWORKS

The High Tech Broadband Coalition ("HTBC") is an industry alliance formed by the leading trade associations of the computer, telecommunications equipment, semiconductor, consumer electronic, software, and manufacturing sectors in the United States. The six trade associations that comprise HTBC – the Business Software Alliance, the Consumer Electronics Association, the Information Technology Industry Council, the National Association of Manufacturers, the Semiconductor Industry Association, and the Telecommunications Industry Association – represent more than 12,000 corporations engaged in all aspects of the high-technology industry. Continued success of HTBC member companies increasingly depends upon consumer adoption of broadband.¹

HTBC has been a strong proponent of ubiquitous broadband deployment. HTBC believes that the overwhelming majority of such deployment will come from private sector investment. HTBC has been a leader in advocating policies that remove regulatory barriers to private sector investment in new broadband facilities. History has shown that competitive markets using private capital provide the best services for consumers. However, governmental entities, pursuant to their mandate to advance or protect the public interest and public safety, may identify broadband needs that are best met through some form of governmental action or partnership with the private sector.

Nationwide, municipalities are considering ways to promote broadband networks in their communities with these goals in mind. Often, these municipal efforts are intended to complement wireline and cable networks by extending reach to areas that these incumbent networks do not, or cannot, reach. A number of promising cooperative efforts between municipalities and multiple private sector partners already exist and are underway. While legitimate concerns have been raised about municipal involvement, municipalities can and should find solutions that are open, transparent, and reasonably competitively neutral.

Because circumstances vary across municipalities, there is no one-size-fits-all prescription. Accordingly, no statewide statutory barriers to municipal participation, whether explicit or de facto, should be erected. Some municipalities may find private sector partners able to provide all of their services. Others may find private partners able to provide some,

¹ Appendix (attached) provides detailed description of the six trade associations that comprise HTBC.

but not all, of the services they require. Still others – because of their small size, remote location, or other unique characteristics – may not find any private sector partners able to make the business case to provide their required services. The key and overarching principle is that municipalities, to the extent practical, should use open, competitively neutral processes to determine the private sector involvement and maintain those principles throughout the network's operational life.

This approach gives municipalities the flexibility to address their particular circumstances. Because competitive circumstances vary greatly, what is practical will also vary. But this approach also admonishes municipalities to use open, transparent processes that will give ample opportunity for all stakeholders to be heard and will encourage the maximum practical private sector involvement. Many acceptable implementations of this approach are possible and, in fact, are being demonstrated in the marketplace voluntarily.

As a general guideline, however, municipalities should first assess unmet needs, underserved areas, and future requirements, as well as develop a technology-neutral requirements document. This process might involve working with private-sector consulting firms. A vendor-neutral evaluation process would then determine the best-suited technology, capabilities, and providers. In keeping with competitive neutrality, new private sector entrants, established firms with existing facilities, and out-of-region established firms would be free to bid on the service provision and network operational requirements as they see fit. Also, municipal efforts would not get preferred access to rights-of-way or other favored treatment.

In summary, HTBC opposes state laws that erect explicit or de facto barriers to municipal participation. Municipalities must be allowed to pursue broadband network solutions, and private sector firms must not be foreclosed from choosing to invest in and partner with municipalities. A framework of open processes and reasonable competitive neutrality allows all stakeholders to be heard. Reasonable examples are already being demonstrated in the marketplace voluntarily and without statutory mandates. We believe such a framework can encourage public-private partnerships that advance the goal of making affordable and high quality broadband available to all Americans.

APPENDIX

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The six trade associations that comprise HTBC are:

- a. The **Business Software Alliance** ("BSA") is an international organization representing leading software and e-commerce developers in 65 countries around the world.
- b. The **Consumer Electronics Association** ("CEA") is the preeminent trade association promoting growth in the consumer technology industry through technology policy, events, research, promotion and the fostering of business and strategic relationships. CEA represents more than 2,000 corporate members involved in the design, development, manufacturing, distribution and integration of audio, video, mobile electronics, wireless and landline communications, information technology, home networking, multimedia and accessory products, as well as related services that are sold through consumer channels. Combined, CEA's members account for more than \$113 billion in annual sales.
- c. The **Information Technology Industry Council** ("ITI") is an elite group of 31 of the world's leading providers of information technology products and services, including computer, networking, data storage, communications, and Internet equipment, software, and services. ITI helps member companies achieve their policy objectives through building relationships with Members of Congress, Administration officials, and foreign governments; organizing industry-wide consensus on policy issues; and working to enact tech-friendly government policies.
- d. The **National Association of Manufacturers** ("NAM") is the largest United States industrial trade association, with more than 12,000 members and 350 member associations in every industrial sector and all 50 States.
- e. The **Semiconductor Industry Association** ("SIA") is the premier trade association representing the \$100 billion United States microchip industry. SIA member companies account for more than ninety percent of United States-based semiconductor production.
- f. The **Telecommunications Industry Association** ("TIA") is the leading trade association serving the communications and information technology industry, with proven strengths in standards development, domestic and international public policy, and trade shows. Through its worldwide activities, TIA facilitates business development opportunities and a competitive market environment. The association also provides a forum for its over 600 member companies, the manufacturers and suppliers of products, and services used in global communications.

While its members each serve as a major force for advocating the public policy objectives of their own members, HTBC was established to highlight their common interest in, and to ensure sustained advocacy for, public policies that promote broadband deployment and competition.